

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA

V.

CRIMINAL COMPLAINT

CHIANTI CLAY

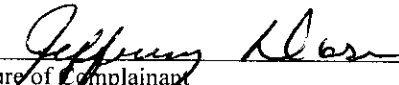
CASE NUMBER: 07-M-494

I, Jeffery Doss, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief. On or about April, 2005, in Milwaukee County, in the State and Eastern District of Wisconsin, **CHIANTI CLAY**, the defendant, did, in violation of Title 18, United States Code, Section 1341, commit mail fraud.

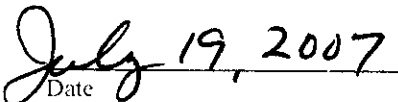
I further state that I am an investigator with the Milwaukee County District Attorney's Office and am also appointed by the United States Marshal, Eastern District of Wisconsin, as a Special Deputy United States Marshal, and this complaint is based on the following facts:

Please see the attached affidavit.

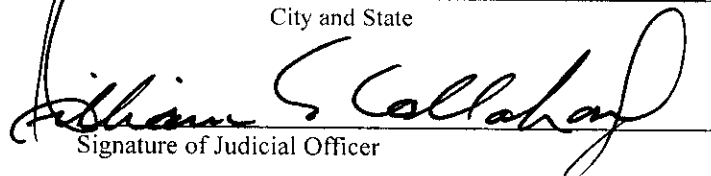
Continued on the attached sheet and made a part hereof: ☒ Yes ☐ No

  
\_\_\_\_\_  
Signature of Complainant  
Jeffery Doss

Sworn to before me and subscribed in my presence,

  
\_\_\_\_\_  
Date

The Honorable William E. Callahan, Jr.  
United States Magistrate Judge  
Name & Title of Judicial Officer

at Milwaukee, Wisconsin  
\_\_\_\_\_  
City and State  
  
\_\_\_\_\_  
Signature of Judicial Officer

## **AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT**

I, Jeffrey Doss, being duly sworn upon oath hereby depose and say:

1. I am an investigator and sworn law enforcement officer with the Milwaukee County District Attorney's Office and have worked in that capacity for the past twenty-one years. I am also appointed by the United States Marshal, Eastern District of Wisconsin, as a Special Deputy United States Marshal. From June 2006 through present, I have been investigating a mortgage fraud scheme involving Kevin Slamann, Michael Lock, Jerhonda McCray, Chianti Clay, and others. The scheme is ongoing in the Milwaukee County within Eastern Judicial District of Wisconsin.

2. The mortgage fraud scheme has involves extensive "property flipping." The scheme works as follows. The conspirators find distressed properties. Complicit appraisers falsely inflate the property values. Recruiters, including Chianti Clay, find straw buyers to buy the properties at the inflated values. The straw buyers submit fraudulent loan applications that overstate their income. Duped by the inflated appraisals and fraudulent loan applications, lenders provide financing for the purchases. The conspirators siphon off the fraudulently inflated equity at the real estate closing. Complicit closing agents knowingly disburse the inflated loan proceeds to the conspirators.

3. I interviewed Simone Flynn. I also reviewed the official reports of FBI Special Agent Michael Barnes of his interview of Ms. Flynn. Ms. Flynn stated as follows. In 2005, she resided in Miami, Florida, and worked at a nightclub. An acquaintance in Miami recruited her to purchase homes in Milwaukee, Wisconsin. She flew to Milwaukee several times and purchased a total of six properties. Upon arriving in Milwaukee, she met Chianti Clay. Clay made most of the arrangements for Ms. Flynn to buy the properties. Clay promised Ms. Flynn that she would receive payments for each property she purchased.

4. Records on file with the Milwaukee County Register of Deeds show Ms. Flynn purchased six properties in the City of Milwaukee in 2005. Records on file with the Clerk, Milwaukee County Circuit Court show that Ms. Flynn defaulted on the mortgages of all six properties and foreclosure judgments were entered on all six properties. One of said properties was located at 2763 N. 6th Street, Milwaukee, WI.

5. Regarding the purchase of 2763 N. 6th Street, Ms. Flynn stated she provided copies of her legitimate wages and earnings statements (W-2 forms) to Mr. Clay. Ms. Flynn understood her W-2 forms would be used in the loan application process. Mr. Lock introduced Ms. Flynn to the mortgage broker, and Mr. Lock seemed to personally know the mortgage broker.

6. Agent Barnes obtained copies of the business files of Decision One Mortgage Company, LLC for its financing of Simone Flynn's purchase of 2763 N. 6th Street on April 18, 2005. Those records include the loan application, offer to purchase, appraisal, and settlement statement. SA Barnes showed these documents to Ms. Flynn.

The loan application lists Ms. Flynn's employer as Jasmine's Learning Center, Milwaukee, WI. Ms. Flynn said she never worked for Jasmine's Learning Center. Ms. Flynn stated the application also falsely inflated her income. The application lists Ms. Flynn's home address as 6611 N. 77th Street, Milwaukee, WI. Ms. Flynn never lived at this address. Ms. Flynn stated that Chianti Clay told her to use this address on all paperwork related to the home purchase.

7. The appraisal submitted in support of the loan is dated March 15, 2005. It values the property at \$99,000. It stated the home was in good condition with "no apparent inadequacies or repairs needed." The appraisal further noted various specific improvements including newer ceiling fans in all bedrooms and kitchen, newer wood cabinets.

8. The appraisal was fraudulent. On June 22, 2006, I executed a search warrant on the premises at 2763 N. 6th Street. The property was unoccupied, boarded up, and in extremely poor condition. The home was gutted, filthy, and had none of the improvements noted in the appraisal.

9. Records on file with the Milwaukee County Register of Deeds show the property was sold for \$16,000 on May 28, 2004. Ms. Flynn purchased the property less than a year later for \$99,000. The paper value of the property had been increase six fold.

10. The settlement statement shows as follows. Decision One Mortgage loaned Ms. Flynn \$99,000 to purchase the home. From those loan proceeds, a cash payment of \$66,676.03 issued to seller at closing. The settlement agent, First Equity Title, Co., provided Special Agent Barnes with copies of the checks disbursing said cash to seller. Chianti Clay received a check from the seller's proceeds in the amount of \$26,000 dated May 13, 2005. Bank records further show that same day, Mr. Clay purchased a cashier's check in the amount of \$8,000 payable to Simone Flynn.

11. Records subpoenaed from the settlement agent, First Equity Title Company, LLC, Wauwatosa, WI, show that on the day following the closing the closing agent, Susan Anderson, sent the closing documents by UPS, a private interstate commercial carrier, to the lender, Decision One Mortgage in Lombard, Illinois.

12. My investigation has further revealed that Mr. Clay has recruited straw buyers in at least 20 similar mortgage frauds in Milwaukee County.

13. This affidavit is made in support of a complaint alleging Chianti Clay committed mail fraud in violation of 18 U.S.C. 1341.